GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:593
ANSWERED ON:03.12.2004
SMUGGLING OF GOLD
Vijay Krishna Shri

Will the Minister of FINANCE be pleased to state:

(a) whether attention of the Government has been drawn to the news-item captioned `Desh mein khub chamak raha hai sone ki taskari ka dhanda` appearing in Navbharat Times dated the October 13, 2004;

(b) if so, the details of the salient points brought out therein ;

(c) whether the smuggling of gold is increasing in the country ; and

(d) if so,the steps taken by the Government to curb the smuggling of gold?

Answer

MINISTER OF STATE FOR FINANCE (REVENUE) (S.S.PALANIMANICKAM)

(a) Yes, Sir.

(b) The following salient points have been brought out in the article:

(i) According to Bankers and Gold Analysts, gold worth Rs.8,000/- crores is smuggled into India every year.

(ii) According to other estimates, about 3000 tonnes of gold is smuggled into India every year.

(iii) According to Analysts, there is a danger that such illegal exchange of money in terms of gold may be used for anti-national activities.

(iv) Gold and precious stones are used for hoarding of black money.

(v) According to senior bankers, India has a restrictive policy on gold and because of that domestic prices of gold are more than International prices. As a result of this, smuggling/hoarding of gold continues.

(c) No, Sir. This would be evident from the value of gold seized during the last 3 years which is as under:-

Year	Value of seized gold(Rs. in crore)
2001-02	25.04
2002-03	14.53
2003-04	2.48

(d) All Customs filed formations including the Directorate of Revenue Intelligence are alert and vigilant to detect and prevent smuggling of all contraband items including gold.